

**VA**



U.S. Department  
of Veterans Affairs

# Hiring, Retention and How to Build a Strong SSVF Workforce

December 16, 2021

[Link to Audio](#)



# HOUSEKEEPING

- Session will last approximately 1.5 hours
- Participants' phone connections are “muted” due to the high number of callers
- Submitted questions will be reviewed by the Program Office. Questions can also be submitted anytime to [SSVF@va.gov](mailto:SSVF@va.gov)



## OVERVIEW OF PRESENTATION- GOALS AND OBJECTIVES

- Enhance understanding of Compensation Regulations
- Examples of Compensation and how your agency can utilize those for retention, recruitment.
  - Wage determinations
  - Tips for setting employee salaries
  - Changes to Market Wages
  - Incentive-Compensation
- Importance of Centering Equity and Building an Inclusive Culture
- Staffing Strategies
- Retention Strategies
- SSVF Grantee presentation



# PRESENTERS

- Jeff Houser, SSVF Compliance Officer
- Rico Aiello, SSVF Compliance Project Coordinator
- Rayme L. Nuckles, SSVF Regional Coordinator
- Alison Korte, Senior Associate, Housing Practice, Technical Assistance Collaborative (TAC)
- Candace Baker, Associate, Human Services – Social Economic Policy Division  
Abt Associates
- Feliece Murrell, Endeavors, Senior Director of Talent Development & D&I  
Employee Network



# COMPENSATION REGULATIONS

- Let's set the ground rules.....

## [eCFR :: 2 CFR 200.430 -- Compensation - personal services.](#)

personal services.(a) *General.* **Compensation for personal services includes all remuneration**, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, **including but not necessarily limited to wages and salaries**. Compensation for personal services may also include fringe benefits which are addressed in [§ 200.431](#). Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;
- (2) Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and
- (3) Is determined and supported as provided in [paragraph \(i\)](#) of this section, when applicable.



# DETERMINING PREVAILING WAGES

## **How are prevailing wage determinations developed?**

- Wage determinations are developed based on available data showing the rates that are prevailing in a specific locality. Where a single rate is paid to a majority (more than 50%) of the workers in a classification of service employees engaged in similar work in a particular locality, that rate is determined to prevail.

## **How often do you update wage determinations?**

- Wage Determinations are reviewed periodically, as new data become available. Most wage determinations are updated once a year.
  - Surveys of other non-profits, separate both professional and Administrative.



# TIPS FOR SETTING EMPLOYEE SALARIES

- It can be a challenge to set the appropriate scale and structure for a salary. Here are some tips that can help.
  - **Determine the value:** List the job responsibilities, duties, required skills and experience. Determine also, how essential this role is to your organization.
  - **Research the market.** Compare salaries for similar roles. Researching salaries can help you understand which skills, experience and qualifications you should expect from applicants. It can also help you decide if your company can sustain the salary long term.
  - **Set a minimum and maximum salary.** Using your research and evaluation of the role's importance for your organization, set a minimum and a maximum salary for the role. The minimum is the ideal salary you'd like to pay the new employee. The maximum is the highest salary you'd pay. Ensure it is feasible for your organization.

Keep in mind that employees who are satisfied with their pay are likely to deliver significantly superior results. It's important for the well being of your organization that competent employees are sufficiently compensated.



# COMPENSATION REGULATIONS- *REASONABLENESS.*

## ***(b) Reasonableness.***

Compensation for employees engaged in work on Federal awards will be **considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the non-Federal entity**. In cases where the kinds of employees required for Federal awards are not found in the other activities of the non-Federal entity, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the non-Federal entity competes for the kind of employees involved.



## COMPENSATION REGULATIONS-

- Does that mean I can give a momentary award for.....????
- Annual review, Yes if it's implied at beginning of year and is consistent with HR policy
  - If we have extra funding, can we just distribute equally?
- Recruitment, Retention bonus???



## COMPENSATION REGULATIONS-

Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;

- Human Resources should have a policy for all types of compensation.
  - Salary, Benefits
  - Awards, Performance, Recruitment, Retention
  - Applies to all agency personnel, not just SSVF



# CHANGES TO MARKET WAGES

Grantees can increase wages for several reasons. The most common reason for raising wages is an increase to the minimum wage. The federal and state governments have the power to increase the minimum wage. Consumer goods companies are also known for making incremental wage increases for their workers. These minimum wage increases are a leading factor for wage push inflation.

## Industry Factors

- Industry factors also play a part in driving wage increases. If a specific industry is growing rapidly, companies might raise wages to attract talent or provide higher compensation for their workers as an incentive to help business growth. All such factors have a wage push inflation effect on the goods and services the company provides. (Healthcare, Professional-Degreed positions.)
- Wages are determined just like any other price: **by supply and demand**. People supply their labor, and companies demand it, creating a market for labor.



# INCENTIVE-COMPENSATION

- **Performance bonuses-** A [performance bonus](#) is a form of variable pay which is particularly suitable for functions where it is easy to define clear and consistent targets. It is therefore the best pay solution for positions when it is possible to set a precise standard of work linked to a clear level of performance.
- In addition, performance bonuses makes it possible to differentiate between different levels of performance. Assesses both the quantitative and qualitative aspects of the work performed. Performances bonuses mean recipients can be paid according to a specific targets.
- Finally, with performance bonuses, the employee's performance is based on their ability to meet and exceed targets and is assessed in terms of actual achievements measured against predefined targets.



# INCENTIVE-COMPENSATION

## Merit-based raises

- Standardized raise systems can also be a great compensation incentive, especially when a grantee wants to focus on long-term employee retention. Employees become eligible for merit-based pay raises based on performance reviews and meeting certain benchmarks. Unlike performance bonuses which are paid out as one lump incentive, merit-based raises reward employees with long-term salary growth. Over time, merit-based raises can add up and give employees a strong incentive to continue working for your company.
- For example, many companies/grantees offer cost of living adjustment raises every year. Some also assess employee performance and reward employees who met or exceeded expectations with a higher pay rate. Clearly outline merit-based raise policies in your employee handbook to ensure fair compensation and equal opportunity for growth.



# INCENTIVE-COMPENSATION

**Discretionary bonuses-** Known as “discretionary bonuses”, “managerial bonuses” and “bonus at the discretion of the manager”, discretionary bonuses have different names but are always based on the same principle: a manager is solely responsible for allocating them and determining their amount.

- Many employees have been confronted with them and sometimes rename them “subjective bonuses” or “customer discretionary bonuses”. In a discretionary bonus system, the employee has to work hard without knowing whether they will be paid, which is counter-productive and demotivating. Discretionary bonuses do not give employees the chance to assess themselves, whereas increasing motivation through variable pay for an individual is the result of “stretching the pay system”. The latter is therefore essentially the result of the possibility of obtaining a big gain combined with the risk of losing.
- For the system to be effective, the employee must therefore be able to imagine achieving their individual performance target and know the exact results according to the how much effort they make and how they are translated in terms of achieving set objectives and finally the bonus amount. Such conditions are incompatible with the principle of a discretionary bonus.



# INCENTIVE-COMPENSATION

- *Special considerations.* Special considerations in determining allowability of compensation will be given to any change in a non-Federal entity's compensation policy resulting in a substantial increase in its employees' level of compensation (particularly when the change was concurrent with an increase in the ratio of Federal awards to other activities) or any change in the treatment of allowability of specific types of compensation due to changes in Federal policy.
- *Incentive compensation.* Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., is allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the non-Federal entity and the employees before the services were rendered, or pursuant to an established plan followed by the non-Federal entity so consistently as to imply, in effect, an agreement to make such payment



## CHECKS AND BALANCES

- *Nonprofit organizations.* For compensation to members of nonprofit organizations, trustees, directors, associates, officers, or the immediate families thereof, determination must be made that such compensation is reasonable for the actual personal services rendered rather than a distribution of earnings in excess of costs. This may include director's and executive committee member's fees, incentive awards, allowances for off-site pay, incentive pay, location allowances, hardship pay, and cost-of-living differentials
- HR, Board of Directors should be involved with salary determination.
- Agency Wide!



# STANDARDS FOR DOCUMENTATION OF PERSONNEL EXPENSES

## *Standards for Documentation of Personnel Expenses*

- (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:
- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
  - (ii) Be incorporated into the official records of the non-Federal entity;
  - (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);
  - (iv) Encompass federally-assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
  - (v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and
  - (vi) [Reserved]
  - (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.
  - (viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:
    - (A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;
    - (B) Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and
    - (C) The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.



# COMPENSATION REGULATIONS

## Compensation for personal services.

a. **Definition.** Compensation for personal services includes all compensation paid currently or accrued by the organization for services of employees rendered during the period of the award (except as otherwise provided in **subparagraph h**). It includes, but is not limited to, salaries, wages, director's and executive committee member's fees, incentive awards, fringe benefits, pension plan costs, allowances for off-site pay, incentive pay, location allowances, hardship pay, and cost of living differentials.

g. **Organization-furnished automobiles.** That portion of the cost of organization-furnished automobiles that relates to personal use by employees (including transportation to and from work) is unallowable as fringe benefit or indirect costs regardless of whether the cost is reported as taxable income to the employees. These costs are allowable as direct costs to sponsored award when necessary for the performance of the sponsored award and approved by awarding agencies.

### h. Pension plan costs.

(1) Costs of the organization's pension plan which are incurred in accordance with the established policies of the organization are allowable, provided:

(a) Such policies meet the test of reasonableness;

(b) The methods of cost allocation are not discriminatory;

(c) The cost assigned to each fiscal year is determined in accordance with generally accepted accounting principles (GAAP), as prescribed in Accounting Principles Board Opinion No. 8 issued by the American Institute of Certified Public Accountants; and

(d) The costs assigned to a given fiscal year are funded for all plan participants within six months after the end of that year. However, increases to normal and past service pension costs caused by a delay in funding the actuarial liability beyond 30 days after each quarter of the year to which such costs are assignable are unallowable.

(2) Pension plan termination insurance premiums paid pursuant to the Employee Retirement Income Security Act (ERISA) of 1974 (Pub. L. 93-406) are allowable. Late payment charges on such premiums are unallowable.

(3) Excise taxes on accumulated funding deficiencies and other penalties imposed under ERISA are unallowable.

i. **Incentive compensation.** Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., are allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the organization and the employees before the services were rendered, or pursuant to an established plan followed by the organization so consistently as to imply, in effect, an agreement to make such payment.

j. **Overtime, extra-pay shift, and multi-shift premiums.** See **paragraph 32**.

k. **Severance pay.** See **paragraph 49**.

**VA**



U.S. Department  
of Veterans Affairs

# The Importance of Centering Equity & Building Culture



## PRESENTERS

### **Alison Korte, MSW**

Senior Associate, Housing Practice  
Technical Assistance Collaborative (TAC)

*She/her/hers pronouns*

*Mixed race – Black & white*

[www.tacinc.org](http://www.tacinc.org)

Email: [Akorte@tacinc.org](mailto:Akorte@tacinc.org)

### **Candace Baker**

Associate, Human Services – Social Economic Policy Division

Abt Associates

She/her/hers

*Black*

[www.abtassociates.com/](http://www.abtassociates.com/)

Email: [Candace\\_Baker@abtassoc.com](mailto:Candace_Baker@abtassoc.com)



# LEARNING OBJECTIVES

- Best practices for centering equity in hiring and retention approaches
- Strategies to improve the employee experience and SSVF grantee workplace culture
- Create strategies to improve recruitment and hiring practices



## DEFINITIONS AND KEY CONCEPTS

- **BIPOC** - Black, Indigenous, and all People of Color
- **Disproportionality** - The ratio between the percentage of persons in a particular racial or ethnic group at a particular decision point or experiencing an event compared to the percentage of the same racial or ethnic group in the overall population.
- **Equality** - Aims to ensure that everyone gets the same things to enjoy full, healthy lives. Aims to promote fairness and justice, but it can only work if everyone starts from the same place and needs the same things.



## DEFINITIONS AND KEY CONCEPTS

- **Equity** - A structural and systemic concept - the state, quality or ideal of being just, impartial, and fair. Ensures that everyone receives what they need to enjoy full, healthy lives, and may require an unequal distribution of resources to achieve full enjoyment.
- **Racism** - A complex system of racial hierarchies and inequities which include internalized and interpersonal racism at the micro level and structural racism at the macro level; often understood to be a conscious belief.
- **White supremacy culture (WSC)** - Describes how the idea of “whiteness” was created, and how white people and their practices, beliefs, and culture have been normalized over time are now considered standard, leaving little room for diverse perspectives and approaches.



## EQUITY IS EFFECTIVE SERVICE DELIVERY

- A disproportionate number of Veterans experiencing homelessness are BIPOC – 54%
- “Members of the Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ) community are more likely to become homeless, and once homeless, more likely to endure discrimination and harassment that extends their homelessness.” (HUD Exchange)
- Homelessness in older Veterans continues to increase even as the number of veterans experiencing homelessness overall decreases. Over 50% of all homeless veterans are age 50+.
- 65% of those served by SSVF have been diagnosed with a disability.
- Programs designed to effectively serve the most marginalized serve everyone else more effectively too.



# EQUITY IS EFFECTIVE SERVICE DELIVERY

- Representation at all levels matters
- Ensure equitable access to benefits across staff levels, not just equal access
- Understand internal practices for promotions, rewards, discipline – are there trends?
- Decision-making processes
- Affinity groups

VA



U.S. Department  
of Veterans Affairs

“Culture is so powerful precisely because it is so present and at the same time so very difficult to name or identify.”

-Tema Okun



# BUILDING CULTURE – WSC AND SOMETHING DIFFERENT

Characteristic	Anecdote
1. Perfectionism	Culture of Appreciation
2. Sense of Urgency	Realistic Work Planning
3. Defensiveness	Unpack Defenses
4. Quantity Over Quality	Process & Quality Goals
5. Worship of the Written Word	Understand Information Sharing
6. Only One Right Way	Accept Variation
7. Paternalism	Transparent Decision-making
8. Either/Or Thinking	Lean Into Ambiguity
9. Power Hoarding	Power Sharing
10. Fear of Open Conflict	Plan on Conflict
11. Individualism	Collectivism
12. I'm The Only One	Evaluate Team Approach
13. Progress is Bigger, More	"Seventh Generation Thinking"
14. Objectivity	Elevate multiple perspectives
15. Right to Comfort	Discomfort = Growth

**VA**



U.S. Department  
of Veterans Affairs

# Staffing Support



## STAFFING SUPPORT – CREATIVE APPROACHES

- How to attract talent during the “Great Resignation”?
  - Enhance recruitment and sourcing strategies (form an Employee Referral program,
  - Build a employee-center work culture by understanding what people need
  - Offer competitive salaries and benefit packages
  - Ensure a diverse workforce and leadership
- What creates a work environment that minimizes burnout and encourages staff to practice self care?
  - Invest in good Employee Assistance Programs (EAP), adjust dress codes, encourage employees to take sick and personal days
  - Reimagine staff/team check ins (change location to a coffee shop or park area), offer the team lunch, celebrate small wins
  - Partner with local businesses to offer wellness discounts (i.e. juice bars, fitness centers, meditation programs)



## STAFFING SUPPORT – CREATIVE APPROACHES

- Consider staffing needs, skill level, and ongoing training and education needs!
  - LCSW supervision for MSW interns (improve retention rates post graduation)
  - Encourage staff to participate in on going skills training, for example: motivational interviewing and trauma inform care
  - Provide mentors/partners for new staff orientation
- Community Staffing – multiple grantees pool resources to specialized service

**VA**



U.S. Department  
of Veterans Affairs

# Retention Strategies

**VA**



U.S. Department  
of Veterans Affairs

“Those closest to the problem are closest to the solution, but furthest from resources and power.”

-Glen Martin



# RETENTION STRATEGIES

## **Here are some key elements that impact employee retention:**

- Compensation
- Caseload
- Supervision and management support
- Satisfaction with work culture
- Growth opportunities

## **Consider these retention strategies:**

- Create professional development opportunities and invest conferences, e-learning and other resources
- Develop a employee appreciation and recognition programs
- Use exit surveys and feedback channels to inform recruitment/retention process improvement
- Establish clear roles, responsibility and expectations
- Creating a trauma informed environment
- Include HR and agency program staff



# RETENTION STRATEGIES

<b>Inclusive Approach</b>	When possible, engage all staffing levels in decision-making processes that will impact workload expectations.
<b>Mutually Beneficial</b>	Imagine a workplace where the benefit exceeds the paycheck. How are we setting staff up long term success?
<b>Accessible</b>	Ensure that engagements, processes, and meetings are accessible for individuals with different abilities, technology, presentation styles, and schedules.
<b>Compensation</b>	Conducting salary analysis to determine competitiveness. Utilize all the options available



# EFFECTIVE EMPLOYEE RETENTION STRATEGIES

Feliece Y. Murrell

Senior Director of Talent Development

Chair, Diversity & Inclusion Employee Network

*December 2021*

# AGENDA

- Introduction
- *The Great Resignation, Why Now?*
- Employee Retention Strategies
- Final Thoughts

# ***THE GREAT RESIGNATION, WHY NOW?***

**According to statistics....**

- **Inadequate salary and benefits**
- **Feeling overworked and/or unsupported**
- **Limited opportunities for career advancement**
- **Need for better work-life balance**
- **Lack of recognition**
- **Boredom**
- **Unhappiness with leadership and/or management**
- **Concerns about the company's direction or financial health**
- **Dissatisfaction with the company culture**
- **Inability to make change or express ideas**

# EMPLOYEE RETENTION STRATEGIES

## Immediate Impact

*(cost effective)*

- Onboarding & orientation
- Mentorship programs
- Diversity & Inclusion Network
- Communication & feedback
- Recognition & rewards systems
- Work-life balance
- Training (Micro-learning)

## Time Required

*(may be costly)*

- Company-wide perks
- Wellness offerings
- Career development
- Career Pathing & Learning
- Effective change management
- Leader Self-assessments
- Employee compensation

**ENDEAVORS<sup>®</sup>**

**FINAL THOUGHTS**



**THANK YOU**

**ENDEAVORS<sup>®</sup>**



# Q & A